

**NICHOLLS STATE UNIVERSITY FOUNDATION, INC.  
THIBODAUX, LA**

**Financial Reports**

**June 30, 2012**

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Nicholls State University Foundation, Inc.

June 30, 2012

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# Lanaux & Felger

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA  
MARK S. FELGER, CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Nicholls State University Foundation, Inc.  
Thibodaux, Louisiana

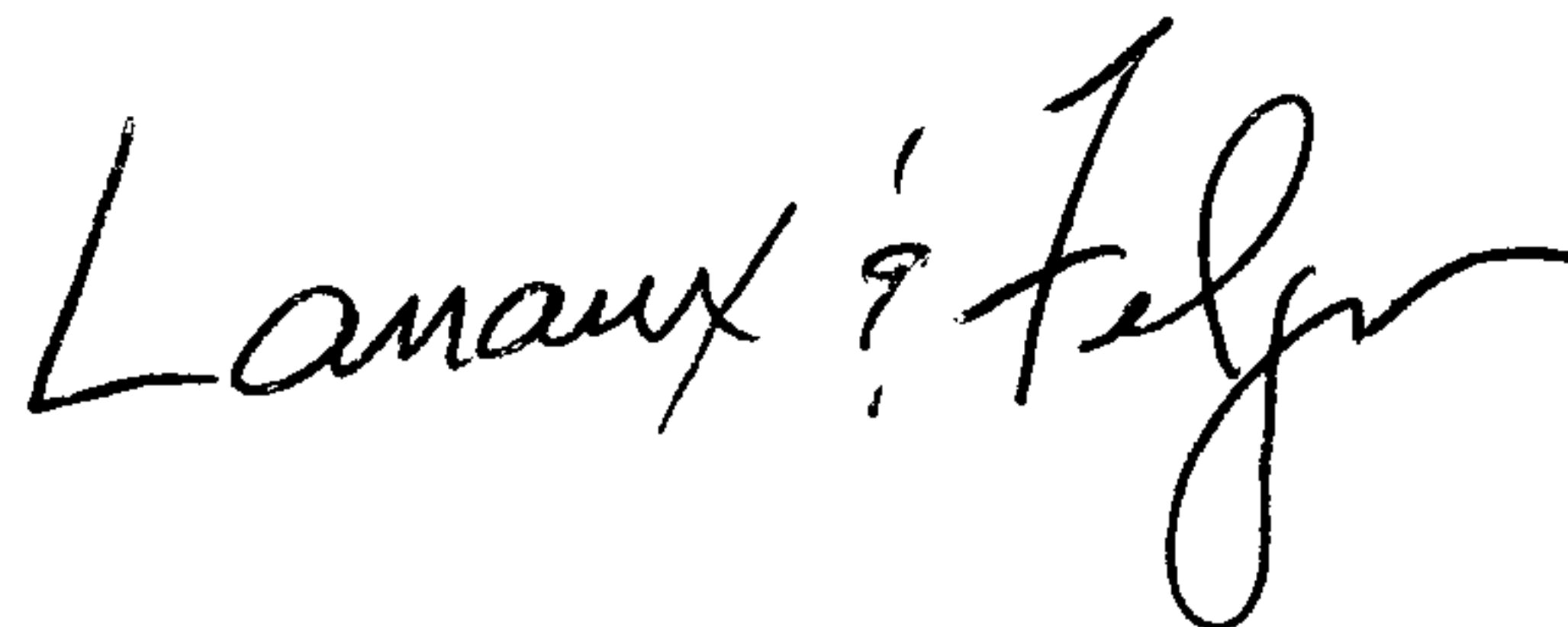
We have audited the accompanying statement of financial position of Nicholls State University Foundation, Inc. (the Foundation) (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary financial information listed in schedules 1 to 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Houma, Louisiana  
May 21, 2013



**Nicholls State University Foundation, Inc.**  
**Statements of Financial Position**  
**June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 398,293	\$ 353,679
Invested cash	1,094,890	598,586
Total cash and cash equivalents	<u>1,493,183</u>	<u>952,265</u>
Restricted cash - Endowed		
Chairs and Professorships	1,522,241	1,106,532
Investments	16,468,705	16,867,699
Accrued interest	68,894	92,052
Accounts receivable	107,554	106,317
Antique collection	<u>75,830</u>	<u>75,830</u>
Total assets	<u><u>\$ 19,736,407</u></u>	<u><u>\$ 19,200,695</u></u>
<b>Liabilities</b>		
Accounts payable	\$ 107,655	\$ 106,416
Funds held in custody:		
State funds	3,006,883	2,942,284
University funds	<u>6,314,976</u>	<u>6,371,167</u>
Total liabilities	<u>9,429,514</u>	<u>9,419,867</u>
<b>Net Assets</b>		
Unrestricted	401,701	358,411
Temporarily restricted	3,965,280	3,619,257
Permanently restricted	<u>5,939,912</u>	<u>5,803,160</u>
Total net assets	<u>10,306,893</u>	<u>9,780,828</u>
Total	<u><u>\$ 19,736,407</u></u>	<u><u>\$ 19,200,695</u></u>



**Nicholls State University Foundation, Inc.**

Statements of Activities

Years Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<b>Changes in Unrestricted Net Assets</b>		
Revenue:		
Contributions - memberships	\$ 85,813	\$ 87,260
Dividends	5,861	5,737
Interest income	10,505	6,818
Gain (loss) on investments, net	2,987	43,707
Other revenues	113,139	116,291
Total revenues	<u>218,305</u>	<u>259,813</u>
Net assets released from restrictions:		
Satisfaction by payment	<u>2,246,951</u>	<u>2,330,570</u>
Total unrestricted revenue	<u>2,465,256</u>	<u>2,590,383</u>
Expenses:		
Program services	2,236,055	2,303,230
Support services	185,912	162,202
Total expenses	<u>2,421,967</u>	<u>2,465,432</u>
<b>Increase (Decrease) in Unrestricted Net Assets</b>	<u>43,289</u>	<u>124,951</u>
<b>Changes in Temporarily Restricted Net Assets</b>		
Contributions	1,141,068	1,391,665
Dividends	93,957	106,078
Interest income	170,382	149,917
Gain (loss) on investments, net	(136,446)	805,460
Colonels Brigade support	835,053	700,697
John Folse Culinary Institute support	230,271	69,037
Special fundraising events	233,151	230,572
Transfers from (to) permanently restricted	21,683	(87,339)
Net assets released from restrictions:		
Restrictions satisfied by payments	<u>(2,243,095)</u>	<u>(2,330,570)</u>
<b>Increase (Decrease) in Temporarily Restricted Net Assets</b>	<u>346,024</u>	<u>1,035,517</u>
<b>Changes in Permanently Restricted Net Assets</b>		
Contributions	161,000	344,338
Transfers (to) from temporarily restricted or unrestricted	(25,539)	87,339
Dividends	257	208
Interest income	461	295
Gain on investments, net	573	5,468
<b>Increase in Permanently Restricted Net Assets</b>	<u>136,752</u>	<u>437,648</u>
<b>Increase (Decrease) in Net Assets</b>	526,065	1,598,116
<b>Net Assets at Beginning of Year</b>	<u>9,780,828</u>	<u>8,182,712</u>
<b>Net Assets at End of Year</b>	<u><u>\$ 10,306,893</u></u>	<u><u>\$ 9,780,828</u></u>

**Nicholls State University Foundation, Inc.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 526,065	\$ 1,598,116
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Net (gain) loss from investments	267,149	(177,792)
(Appreciation) depreciation in value of investments	(134,262)	(676,843)
(Increase) decrease in:		
Accounts receivable	(1,237)	(9,498)
Accrued interest	23,157	(53,112)
Increase (decrease) in:		
Accounts payable	1,238	65,964
Funds held in custody	8,409	1,327,845
Contributions and investment income restricted for endowment purposes	(162,291)	(350,309)
Total adjustments	<u>2,163</u>	<u>126,255</u>
Net cash provided by (used in) operating activities	<u>528,228</u>	<u>1,724,371</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of investments	8,688,409	3,434,235
Purchase of investments	<u>(8,838,010)</u>	<u>(5,474,163)</u>
Net cash provided by (used in) investing activities	(149,601)	(2,039,928)
<b>Cash Flows from Financing Activities</b>		
Endowment fund contributions	161,000	344,338
Investment income restricted for endowments	<u>1,291</u>	<u>5,971</u>
Net cash provided by financing activities	<u>162,291</u>	<u>350,309</u>
Net increase (decrease) in cash and cash equivalents	540,918	34,752
Cash and cash equivalents at beginning of year	<u>952,265</u>	<u>917,513</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,493,183</u></u>	<u><u>\$ 952,265</u></u>

See accompanying notes to financial statements.



# NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements

### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Organization

The Nicholls State University Foundation, Inc. (the Foundation) was incorporated under Title 12, Section 101 et seq. of the State of Louisiana laws as a non-profit organization on June 25, 1964.

The objects and purposes of this corporation are to promote, stimulate and improve the educational, cultural, moral and material welfare of Nicholls State University (the University); to promote, improve and encourage closer cultural, moral, and intellectual intercourse therewith between the members of this corporation and the University; to give financial aid to needy and deserving students; to promote and encourage research and scholastic excellence among the faculty members of the University; to buy, sell, lease, erect, or otherwise acquire lands and all necessary buildings and appurtenances to further such ends, to hold, maintain and operate same, to sell, lease or dispose thereof and generally to do all things necessary or proper to achieve such ends. This corporation is organized and shall be operated exclusively for educational, scientific and literary purposes.

#### b) Financial Statement Presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Unrestricted Net Assets** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets** – Net assets that are subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time.

**Permanently Restricted Net Assets** – Net assets subject to donor-imposed stipulations that the principal not be expended, but rather invested to provide a permanent source of income for the Foundation's programs.

#### c) Basis of Accounting

Assets, liabilities, revenues and expenses are recognized on the accrual method of accounting for financial statement presentation and the cash basis for federal income tax purposes.

#### d) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of support,

# NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements, continued

revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### **e) Cash and Cash Equivalents**

For purposes of the statements of cash flow, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### **f) Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

### **g) Bad Debts**

The financial statements of the Foundation contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or change in net assets.

### **h) Contributions**

Contributions are recognized when the donor makes a pledge to contribute to the Foundation that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restriction. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

### **i) Collections**

Donations of collections are recorded as support at their estimated fair value at the date of their donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.



# NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements, continued

### j) **Expense Allocation**

The costs of providing various programs and other activities are summarized on a functional basis in the financial statements. Accordingly, certain costs are allocated among the programs and supporting services benefited.

### k) **Required Transfers**

The Foundation has received various matching grants from the State of Louisiana under the Eminent Scholars Endowed Chairs and Endowed Professorships programs which are only approved after certain levels of private funding have been raised. The Foundation must comply with certain policies, procedures, and regulations regarding the administration of these programs.

### l) **Income Taxes**

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and is classified as a public charity. Therefore, no provisions for income taxes have been made. The Foundation's Form 990, Returns of Organizations Exempt from Income Tax, are generally subject to examination by the Internal Revenue Service for three years after they were filed.

## 2) **RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are restricted by donors for specific programs, purposes, or to assist specific departments of Nicholls State University. The Foundation conducts numerous program services including assistance with research, scientific endeavors, educational assistance through faculty salary supplemental compensation and student scholarships, equipment purchases for specific departments, etc. These restrictions are considered to expire when payments for restricted purposes are made. None of the temporarily restricted net assets are time-restricted by donors. As of June 30, 2012 and 2011, temporarily restricted net assets are as follows:

	2012	2011
Eminent Scholars/Endowed Professorships	\$ 760,886	\$ 824,452
Scholarships	646,715	392,059
Business Capstone Funds	494,150	484,146
Chef John Folse Culinary Institute	804,076	581,160
Other University Projects	1,259,453	1,337,440
	<u>\$ 3,965,280</u>	<u>\$ 3,619,257</u>

Permanently restricted net assets consist of endowment fund investments to be held indefinitely and unconditional promises to give. The income from endowment investments is expendable for specific program services and is recorded as temporarily restricted revenue.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

Notes to Financial Statements, continued

As of June 30, 2012 and 2011, permanently restricted net assets are as follows:

	2012	2011
Eminent Scholars/Endowed Professorships	\$ 3,844,130	\$ 3,686,030
Scholarships	2,095,782	2,117,130
	<u>\$ 5,939,912</u>	<u>\$ 5,803,160</u>

**2) CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

The Foundation maintains several bank accounts at Capital One Bank. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at this institution exceeded federally insured limits by \$600,718 as of June 30, 2012. Money market mutual funds included in cash equivalents totaled \$1,094,890 and \$598,586 at June 30, 2012 and 2011, respectively. These amounts were uninsured. Restricted cash, which consists of money market mutual funds invested for the Endowed Chairs and Professorships Program, totaled \$1,522,241 and \$1,106,532 at June 30, 2012 and 2011, respectively. These amounts were also uninsured.

**3) INVESTMENTS**

At June 30, 2012 and 2011, the Foundation's investments, carried at fair value, consisted of the following:

	June 30, 2012	June 30, 2011
Equity securities:		
Corporate stock	\$ 3,663,368	\$ 4,641,797
Stock mutual funds	4,212,490	3,274,332
Bond mutual funds	899,409	836,102
Hedge funds	418,461	434,938
Exchange traded funds	193,993	505,080
Debt securities:		
US Government Agency obligations	568,384	2,009,070
Obligations of states and municipal governments	6,430,937	4,765,144
Asset-backed securities	<u>81,663</u>	<u>401,236</u>
	<u>\$ 16,468,705</u>	<u>\$ 16,867,699</u>

The Foundation invests in a hedge fund. The investment is a sophisticated, multi-strategy, multi-manager program designed to achieve an optimal balance of upside return potential and downside protection. The investment offers a diversified strategy protecting and preserving the Foundation's capital and a hedged equity strategy providing long-term capital growth. Both strategies also work to deliver risk-adjusted returns by capturing the market's return potential but with much less volatility. The fund's fair market value was \$418,461 and \$434,938 at June



# NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

## Notes to Financial Statements, continued

30, 2012 and 2011, respectively. Earnings on the hedge fund are included in unrealized gains (losses) in the Statement of Activities.

The following schedules summarized the investment return and its classification in the statement of activities for the years ended June 30, 2012 and 2011. Interest, dividends, and net gains (losses) have been distributed to Unrestricted, Temporarily Restricted, or Permanently Restricted based on each classification's pro-rata share of investments.

2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends	\$ 5,861	\$ 93,957	\$ 257	\$ 100,075
Interest	10,505	170,382	461	181,348
Net gain (loss)	2,987	(164,966)	573	(161,406)
Total investment return	<u>\$ 19,353</u>	<u>\$ 99,373</u>	<u>\$ 1,291</u>	<u>\$ 120,017</u>

Investment, custodial, and advisory fees paid during the year ending June 30, 2012 totaled \$62,122.

2011	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends	\$ 5,737	\$ 106,078	\$ 208	\$ 112,023
Interest	6,818	149,917	295	157,030
Net gain (loss)	43,707	805,460	5,468	854,635
Total investment return	<u>\$ 56,262</u>	<u>\$ 1,061,455</u>	<u>\$ 5,971</u>	<u>\$ 1,123,688</u>

Investment, custodial, and advisory fees paid during the year ending June 30, 2011 totaled \$65,245.

Investments include Professorships and Chairs of Nicholls State University in the amount of \$6,314,976. Once a chair or professorship has been matched by the state program, funds are transferred to UBS Financial Services, Inc. for investment purposes.

### 4) **ANTIQUE COLLECTION**

Antique collection consists of antique furniture, dinnerware, paintings, and other household items donated to the foundation.

### 5) **UNCONDITIONAL PROMISES TO GIVE**

Pledged support receivable in more than one year is discounted based on U.S. Government issues. There were no unconditional promises to give at June 30, 2012 and 2011.



NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

Notes to Financial Statements, continued

**6) STATE MATCHING FUNDS RECEIVABLE**

State matching funds receivable is comprised of the amounts due from the State of Louisiana for the 40% State matching funds in regard to Endowed Chairs and Endowed Professorships. There were no amounts receivable as of June 30, 2012 and 2011.

**7) FUNDS HELD IN CUSTODY**

Under agreements with Nicholls State University (the University), the Foundation holds and manages funds received by the University as State matching funds for the accounts of the Eminent Scholars Endowed Chairs and Endowed Professorship Programs. Also, under an agreement with Nicholls State University, the Foundation holds and manages the donated and state matching funds for the University. As of June 30, 2012 and 2011, the funds held in custody are as follows:

	2012	2011
State funds held in custody	\$ 3,006,883	\$ 2,942,284
University endowments held in custody	6,314,976	6,371,167
Total funds held in custody	<u>\$ 9,321,859</u>	<u>\$ 9,313,451</u>

**8) ENDOWED NET ASSETS**

The board of directors has interpreted state law as requiring the preservation of original corpus of the permanent endowment funds unless explicit donor stipulations specify how net appreciation must be used. The long-term objective of the Foundation's investment policy is to preserve the purchasing power of the net assets and maintain an average annual total return at or above the level of spending and fees. In addition, the investment program is expected to exceed a composite benchmark index comprised of market indices weighted in proportion to an asset allocation policy. Adequate liquidity shall be maintained to provide distributions as stipulated in the endowment agreement.

To achieve the long-term investment objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both market appreciation (realized and unrealized), and interest and dividends. The Foundation targets an appropriately diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Under the Foundation's endowment spending policy, the long-term average of spending should be no greater than the long-term real total return of the fund. Annual spending of up to 5 percent of the market value of program assets averaged on a consistent basis for the five most recent fiscal trust fund years is allowed, provided that the market value of program assets at the end of the most recent fiscal fund year exceeds the original corpus of the endowment by an amount at least equal to the amount to be spent in the next fiscal fund year for which a spending allocation is to be made. When the current market value of program assets is below the original corpus of the endowment, no spending is allowed.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

Notes to Financial Statements, continued

The composition and changes in donor restricted endowments funds for the years ended June 30, 2012 and 2011 were as follows:

	Temporarily Restricted	Permanently Restricted	Total
Balance at June 30, 2010	\$ 636,686	\$ 5,365,512	\$ 6,002,198
Investment return:			
Investment income	323,827	503	324,330
Net appreciation (depreciation)	484,299	5,468	489,767
Contributions	160,481	344,338	504,819
Transfers to Permanently Restricted	(87,339)	87,339	-
Released from restrictions	(226,727)	-	(226,727)
Balance at June 30, 2011	1,291,227	5,803,160	7,094,387
Investment return:			
Investment income	157,013	718	157,731
Net appreciation (depreciation)	(49,927)	573	(49,354)
Contributions	407,559	161,000	568,559
Transfers to Permanently Restricted	-	-	-
Released from restrictions	(359,718)	(25,539)	(385,257)
Balance at June 30, 2012	<u>\$ 1,446,154</u>	<u>\$ 5,939,912</u>	<u>\$ 7,386,066</u>

9) **FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Although the exchange price concept is not new, the new definition focuses on the exit price as opposed to the entry price that would be paid to acquire an asset or received to assume a liability. The standard also emphasizes that fair value is a market-based measurement and not an entity-specific measurement and establishes a hierarchy to prioritize the inputs that can be used in the fair value measurement process. The inputs in the three levels of this hierarchy are described as follows:

- Level 1      Quoted prices in active markets for identical assets or liabilities. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2      Observable inputs other than Level 1 prices. This would include quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.



NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

Notes to Financial Statements, continued

Level 3      Unobservable inputs, to the extent that observable are unavailable. This allows for situations in which there is little or no market activity for the asset or liability at the measurement date.

Investments measured at fair value on a recurring basis are as follows:

At June 30, 2012:

	Total	Level 1	Level 2
Equity securities:			
Corporate stock	\$ 3,663,368	\$ 3,663,368	\$ -
Stock mutual funds	4,212,490	4,212,490	-
Bond mutual funds	899,409	899,409	-
Hedge funds	418,461	-	418,461
Exchange traded funds	193,993	193,993	-
Debt securities:			
US Government Agencies	568,384	-	568,384
Obligations of states and municipal governments	6,430,937	-	6,430,937
Asset-backed securities	81,663	-	81,663
	<u>\$ 16,468,705</u>	<u>\$ 8,969,260</u>	<u>\$ 7,499,445</u>

At June 30, 2011:

	Total	Level 1	Level 2
Equity securities:			
Corporate stock	\$ 4,641,797	\$ 4,641,797	\$ -
Stock mutual funds	3,274,332	3,274,332	-
Bond mutual funds	836,102	836,102	-
Hedge funds	434,938	-	434,938
Exchange traded funds	505,080	505,080	-
Debt securities:			
US Government Agencies	2,009,070	-	2,009,070
Obligations of states and municipal governments	4,765,144	-	4,765,144
Asset-backed securities	401,236	-	401,236
	<u>\$ 16,867,699</u>	<u>\$ 9,257,311</u>	<u>\$ 7,610,388</u>



NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

Notes to Financial Statements, continued

**10) SUPPORT SERVICES**

A summary of supporting services on a functional basis for the years ended June 30, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Institutional support and development	\$ 86,662	\$ 67,601
Management and general	92,211	83,442
Fundraising	<u>7,039</u>	<u>11,159</u>
Total support services	<u>\$ 185,912</u>	<u>\$ 162,202</u>

**11) SUBSEQUENT EVENTS**

Management evaluates events subsequent to the date of the financial statements in determining the accounting disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through May 21, 2013, the date the financial statements were available for issuance.

## **SUPPLEMENTARY INFORMATION SECTION**

**Schedule 1**

Nicholls State University Foundation, Inc.  
Schedules of Program Services  
Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Colonels Brigade	\$ 855,941	\$ 625,294
Program support	227,022	189,520
Scholarships	244,167	228,241
Chef John Folse Culinary Institute	22,293	119,794
Louisiana Center for Women and Government	-	623,705
Other Program Services	886,632	516,676
Total program services	<u>\$ 2,236,055</u>	<u>\$ 2,303,230</u>



**Schedule 2**

Nicholls State University Foundation, Inc.  
Schedules of Support Services  
Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Institutional support and development:		
Athletic	\$ 8,000	\$ 7,970
Institutional development	<u>78,662</u>	<u>59,631</u>
	86,662	67,601
Management and general:		
Foundation office	740	968
Foundation meeting	8,500	6,665
Professional services	58,435	49,771
Other	<u>24,536</u>	<u>26,038</u>
	92,211	83,442
Fundraising	<u>7,039</u>	<u>11,159</u>
Total support services	<u><u>\$ 185,912</u></u>	<u><u>\$ 162,202</u></u>

Nicholls State University Foundation, Inc.  
Schedules of Funds Held in Custody  
Years ended June 30, 2012 and 2011

	2012	2011
State funds held in custody:		
Agnes H. Candies Professorship	\$ 42,843	\$ 44,182
American Association of Drilling Engineers Professorship	42,399	42,076
Bell South Culinary Professorship	43,337	44,712
Bell South/Brady, Miller, Theriot Callais Professorship	43,149	42,816
Bell South/Picou Professorship	44,647	45,973
Bell South/Picou Professorship #2	43,120	42,787
Bonnie Bourg Professorship	43,206	44,723
Capital One Professorship	40,872	40,427
Cenac Towing Chair	465,241	478,583
CETFE Geomatic/Surveying Professorship	44,732	46,200
Clarence J. Riviere Professorship	46,677	48,218
Durel Matrin Professorship	45,108	44,794
Harvey Peltier, Sr. Professorship	46,826	48,526
Maxine Giardina Professorship	42,579	42,253
Morris and Sandy Hebert Professorship	45,050	44,728
Jimmy and Glenny Lee Buquet Professorship	43,332	44,661
McIlhenny Professorship	43,306	42,844
Minor J. Cheramie Professorship	46,620	48,256
Orleans A. Pitre Professorship	46,572	48,188
Otto Candies Chair	509,988	506,290
T. Baker Smith Professorship	45,422	45,094
T. Shepard Endowed Professorship	47,368	48,589
1st Generation Scholarship	44,779	44,389
J Maselli Professorship	41,035	40,669
B Raziano Professorship	40,920	40,555
R E Miller Professorship	43,050	42,666
Goldring Foundation Professorship	45,963	45,568
Gueydan Professorship	45,963	45,568
Henry & Kim Lafont 1st Generation Scholarship	45,963	45,568
Harold Callais Professorship	229,811	227,840
Paul Callais Professorship	114,906	113,920
Peter Callais Professorship	114,906	113,920
Nolen Professorship	44,023	45,567
George Picou Professorship	45,963	45,567
Swanner 1st Generation Scholarship	45,963	45,567
Danos 1st Generation Scholarship	40,311	40,000
B & J Bollinger Scholarship	40,311	40,000
Danos Family Nursing Scholarship	40,311	40,000
R & C Cheramie Scholarship	40,311	40,000
Jack Cenac Scholarship	40,000	-
Jock Cenac Scholarship	40,000	-
Total State funds held in custody	3,006,883	2,942,284

**Schedule 3**

Nicholls State University Foundation, Inc.  
Schedules of Funds Held in Custody  
Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
University funds held in custody:		
Argent Bank Endowed Professorship in Business Administration	107,473	107,713
Belle & Leonard Toups Chair in English	1,167,286	1,208,367
Betsy Ayo Endowed Professorship in Accounting & Business Law	98,561	98,781
Bollinger Family Endowed Chair in Business Administration	1,158,396	1,160,978
Contractor's Educational Trust Fund Endowed Professorship in Manufacturing Technology	106,500	106,737
Entergy Endowed Professorship in Computer Science	99,699	99,922
Entergy Endowed Professorship in Information Systems	95,374	95,586
Gerald Gaston Endowed Professorship in the College of Business Administration	93,662	93,871
Jerry Ledet Foundation Endowed Professorship in Environmental Biology	102,019	105,881
Louisiana Contractors' Licensing Board Endowed Professorship in Production Technology	98,588	98,807
Lorio Foundation Endowed Professorship in Fine Arts	90,085	90,286
Lorio Foundation Endowed Professorship in Language and Literature	89,918	90,119
Lorio Foundation Endowed Professorship in Nursing	89,626	89,826
Lorio Foundation Endowed Professorship in Physical Science	89,589	89,789
Peltier Foundation Endowed Professorship in College of Business Administration	102,392	102,620
Terrebonne General Medical Center Endowed Chair in Nursing & Allied Health	1,168,742	1,171,347
Thibodaux Hospital and Health Center Endowed Professorship in Nursing	108,900	109,143
John A. Brady, Sr. Endowed Chair in Computer Science	1,226,649	1,229,384
John C. Daigle Endowed Professorship in Free Enterprise	107,274	107,513
Donald Peltier Endowed Professorship	114,243	114,497
	<u>6,314,976</u>	<u>6,371,167</u>
Total University funds held in custody		
	<u>\$ 9,321,859</u>	<u>\$ 9,313,451</u>



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# Lanaux & Felger

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA  
MARK S. FELGER, CPA

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors  
Nicholls State University Foundation, Inc.  
Thibodaux, Louisiana

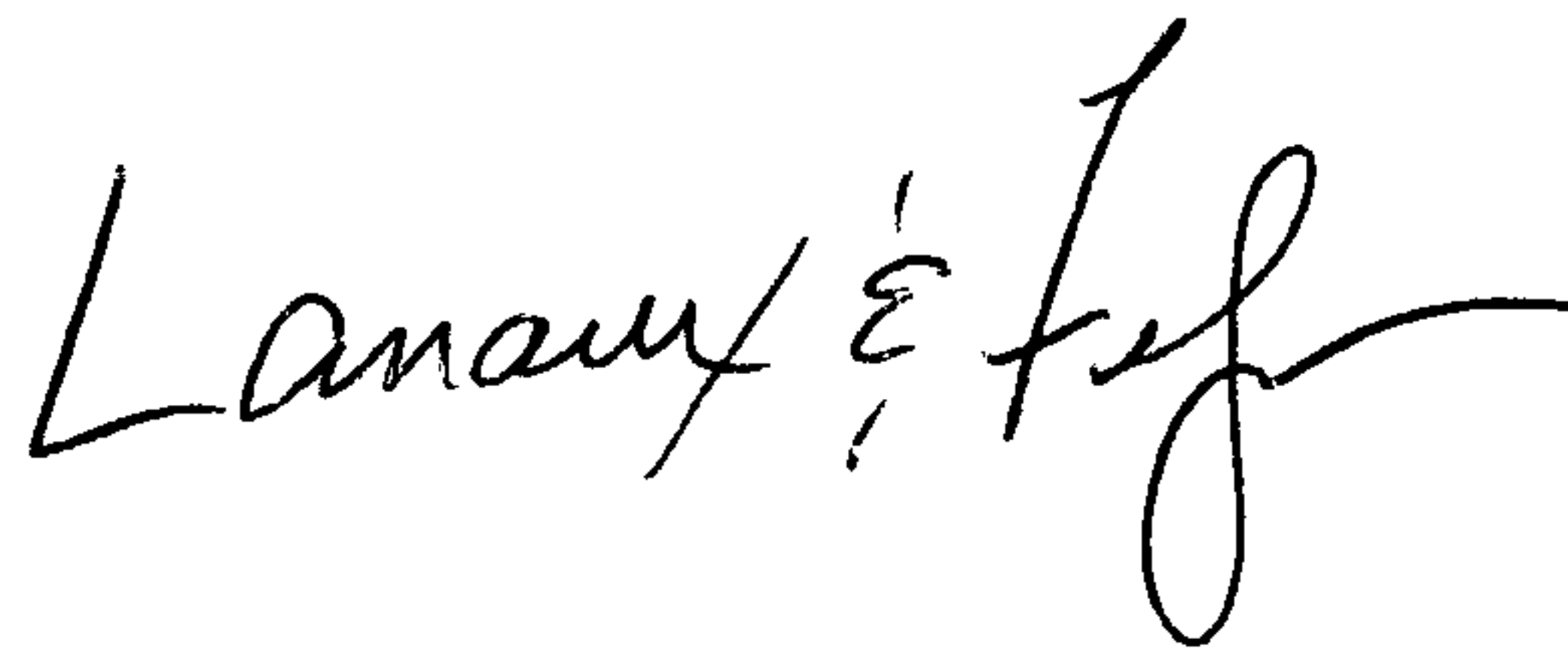
We have performed the procedures enumerated in the attached schedule, which were agreed to by the Board of Directors of Nicholls State University Foundation, Inc. (the Foundation) and the University of Louisiana System (the System), solely to assist you with respect to the investments of the Endowed Chair and Endowed Professorship Programs (state funds) as of June 30, 2012 and for the fiscal year then ended. The Foundation's management is responsible for the Foundation's investment records. This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified parties of the report. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are described in Schedules 1 and 2.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the investments of the state funds of the Foundation. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Nicholls State University Foundation, Inc. and the University of Louisiana System and is not intended to be and should not be used by anyone other than these specified parties.

Houma, Louisiana  
May 21, 2012



## **Nicholls State University Foundation, Inc.**

### **Schedule 1**

1. Confirmation of the balance of the state funds held by the Foundation at June 30, 2012 including earnings on those funds (including providing the recorded values and market values as of June 30, 2012) by performance of the following procedures:
  - a. Confirmed in writing the total market value of the investments of the Foundation as of June 30, 2012 with the investment company.
  - b. Agreed opening balances of the state funds as of July 1, 2011 to the prior year audit workpapers.
  - c. Examined the collections of the state funds received for the fiscal year ended June 30, 2012.
  - d. Calculated the earnings of the state funds for the year ended June 30, 2012 by multiplying the total investment earnings by the state contribution factor of 40%.
  - e. Calculated the balance of state funds as of June 30, 2012 by adding the beginning balance, receipts and earnings.
2. Reviewed of the Foundation's investment policy as it relates to the state funds to ensure compliance with those provisions.

We read and obtained an understanding of the Foundation's investment policy. Our procedures as described in Step 1 above indicate that the state funds were maintained in accordance with the Foundation's investment policy as of June 30, 2012 and for the year then ended.

3. Verified that the earnings generated from the pooled assets were properly allocated to the state funds. We performed step 1d. above without exception.

**Nicholls State University Foundation, Inc.**

**Schedule 2**

	June 30, 2012	
	<u>Recorded Value</u>	<u>Market Value</u>
State funds held in custody	\$ 3,006,883	\$ 3,006,883
University endowments held in custody	<u>6,314,976</u>	<u>6,314,976</u>
Total funds held in custody	<u><u>\$ 9,321,859</u></u>	<u><u>\$ 9,321,859</u></u>